



November 1, 2001

K. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

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EXECUTIVE SECRETARIAT

RE: CORPORATE REORGANIZATION OF WORKING ASSETS
FUNDING SERVICE, INC., A LONG DISTANCE RESELLER
DATE OF CERTIFICATION: 9-20-95
CERTIFICATE NUMBER: 00113295

Mr. Waddell:

01-00982

Working Assets Funding Service, Inc. ("WAFS") proposes to change its corporate structure by an exchange of shares between the Applicant's shareholders and a newly formed parent corporation, Working Assets, Inc. ("WA").

- Current Organization

Working Assets Funding Service, Inc. is incorporated in California as an S-corporation. WAFS holds a certificate in this state where it currently re-sells long distance telephone service. WA is incorporated in Delaware. It will become the parent company of WAFS, Working Assets Wireless and Working Assets Online. Working Assets anticipates this change will be completed by January 1, 2002.

- Proposed Re-structuring

A subsidiary of WA, "Working Assets Merger Sub", will be formed. WAFS will merge with Working Assets Merger Sub. After the merger, Working Assets Merger Sub will disappear, leaving WAFS as the surviving corporation and a subsidiary of WA. Each share of WAFS currently held by its shareholders will be exchanged for one share in the parent corporation. WAFS's current shareholders will have 100% ownership of WA which, in turn, will have 100% ownership of WAFS, as well as the other two subsidiaries.

- Effects of Re-organization

Throughout the re-organization process, and after it's completion, the change in WAFS ownership will be transparent to its customers. WAFS does business under the name Working Assets Long Distance. This name, which customers presently use to identify the company, will not change during or after re-organization. All existing services and rates currently provided to customers will remain the same, both during and after the re-organization process, and there will be no changes to the tariff currently on file.

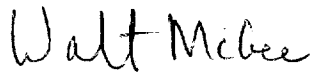
The current WAFS officers and the contact person for state and federal commissions will not change during or after re-organization. All WAFS financial records will remain where they are presently held at the corporate headquarters, located at 101 Market Street, Suite 700, San Francisco, CA, 94105.

- Public Interest served by Re-organization

The proposed restructuring of WAFS will produce a corporate structure more efficient in its ability to create and provide new products to its customers. The new corporate structure will allow each subsidiary to pursue its own individual goals in a more efficient and less costly manner. The new structure will protect long distance ratepayers from financial risk associated with new products and new ventures. In addition, the change will potentially advance the financial well being of its shareholders and other stakeholders.

Should you have any questions regarding the contents of this letter, I may be contacted at 415/369-2084.

Sincerely,



Walter N. McGee
Regulatory Manager